

SUMMARY SHEET

#5

I. Description of Item

Resolution authorizes the Shelby County Division of Corrections to contract with ARAMARK Correctional Services, LLC for the management and provision of food services for the Division of Corrections. This is a change from operating food service with county employees. ARAMARK has been provided this service for the Jail since 2002. It is necessary to amend the Corrections Fund budget and position control budget for this change in the method of doing business.

The county issued an RFP for the Jail on March 3, 2008 and an addendum was issued on March 25, 2008 to include the Division of Corrections as a result of discussion during a Law Enforcement Committee meeting of the County Commission. The RFP required vendors to propose a menu that met portion sizes as well as equivalent nutritional and caloric values currently served at the Division of Corrections. ARAMARK was the only respondent and their proposed cost was compared to the historical and projected costs of the Division's food service operation. The Division's unit food costs have been rising this spring and recent food bids for FY09 reflect 15% to 20% increases over bids from a year ago. This rise in food costs is the basis of the decision to contract with ARAMARK.

ARAMARK's proposal reflects a annualized savings of \$600,000 for FY09 compared to the projected costs of internally staffing and operating the food service function. ARAMARK's proposal is within the Division's budget, while internal operations would require an estimated increase in funding of \$477,000.00 for FY09. In addition, ARAMARK will provide up to \$100,000 in new equipment for the Division's two cooking kitchens and will give the Sheriff a \$.03 per meal discount when awarded both facilities.

The County currently has 33 employees assigned to food service operations. The County will work to place these employees in other vacant county positions for which they are qualified and ARAMARK will give first consideration to our current employees in filling their positions.

II. Source and Amount of Funding

- A. Amount Expended/Budget Line Item – \$3,900,000.00 from 956-350105-6635, Corrections Division-Contracted Food Services. The County will recover at least 75% of these funds through State reimbursement for housing state prisoners.
- B. All Costs (Direct/Indirect) – County will continue to be responsible for utilities and maintenance of the building.
- C. Additional or Subsequent Obligations or Expenses of Shelby County – Ongoing responsibility for feeding inmates.

III. Contract Items

- A. Type of Contract - Contract for management and provision of food services
- B. Terms - Initial period from September 10, 2008 to June 30, 2009 with the option to renew for two (2) additional one (1) year periods.

IV. Additional Information Relevant to approval of this item

Administration recommends approval of this Resolution.

ITEM# _____

PREPARED BY John Trusty

COMMISSIONER _____

APPROVED BY _____

RESOLUTION APPROVING CONTRACT WITH ARAMARK CORRECTIONAL SERVICES, LLC IN THE AMOUNT NOT TO EXCEED \$3,900,000.00 FOR THE MANAGEMENT AND PROVISION OF FOOD SERVICES FOR THE DIVISION OF CORRECTIONS AND AMENDING THE FY09 CORRECTIONS FUND BUDGET. THIS ITEM REQUIRES EXPENDITURE OF CORRECTIONS FUNDS IN THE AMOUNT OF \$3,900,000.00. SPONSORED BY COMMISSIONER SIDNEY CHISM.

WHEREAS, The Shelby County Division of Corrections is responsible for an average daily population of 3,100 inmates on a regular basis; and

WHEREAS, The Shelby County Division of Corrections must feed these inmates three (3) meals a day which meet both nutritional standards and satisfy their hunger since food related issues are the number one cause of inmate disturbances in prisons; and

WHEREAS, A significant number of the inmates housed at the Shelby County Division of Corrections have various work assignments ranging from Work Release and Road Department Work Lines to assisting in building and grounds maintenance for the Division, and therefore have different meal needs than sedentary detainees like those housed in the Jail at 201 Poplar; and

WHEREAS, The Division of Corrections operates with minimum custody staffing for the number of prisoners housed and must also feed its staff since they cannot be allowed to leave the facility during their shift; and

WHEREAS, Request for Proposal Bid Number RFP 08-003-57 with addendums was issued with responses due on April 9, 2008, and ARAMARK Correctional Services, LLC was the only response received. ARAMARK's proposal specified a cyclical planned menu, including portion sizes, and was based on a cost per meal served; and

WHEREAS, After a thorough review of ARAMARK's proposal was made and their expected billings projected and compared with the county's internal projected costs for FY09 based on estimated population levels, ARAMARK was chosen as the lowest and best method of providing food service for the Division; and

WHEREAS, The County will work with ARAMARK to place as many of its food service personnel as possible and will also seek to place displaced employees in other positions within county government for which they are qualified; and

WHEREAS, The operating budget and the position control budget for the Corrections Fund will need to be amended to eliminate positions and consolidate budgets into a single account for the contracted services; and

WHEREAS, ARAMARK will need until September 10, 2008 to begin operations after approval of a contract and has proposed guaranteed rates for each of three years based on current population levels; and

WHEREAS, The resulting contract was prepared for the period from September 10, 2008 through June 30, 2009 with the option to renew for two (2) additional one (1) year periods; and

WHEREAS, The contract is prepared pursuant to Shelby County Purchasing Policies and Procedures in the amount not to exceed \$3,900,000.00 for FY09.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, That the contract with ARAMARK Correctional Services, LLC in the amount not to exceed \$3,900,000.00 for the management and provision of food services for the period September 10, 2008 through June 30, 2009 for the Division of Corrections is hereby approved and funds are appropriated from account no. 956-350105-6635, Contracted Food Services.

BE IT FURTHER RESOLVED, That the County Mayor is hereby authorized to execute the said contract on behalf of Shelby County Government for the purposes herein contained, an executed copy of which is to be placed on file in the Purchasing Department.

BE IT FURTHER RESOLVED, That the County Mayor is hereby authorized to execute the annual renewals subject to satisfactory performance by the vendor, and subject to the annual appropriation of funds for each renewal term's corresponding Fiscal Operating Year by Shelby County Government. In the event sufficient funds for said Amendments are not appropriated by the Board of Commissioners for the fiscal periods relating to any new renewal term, then the Amendment will be terminated.

BE IT FURTHER RESOLVED, That the FY08 operating budget and the position control budget for the Corrections Fund are hereby amended as per exhibits A and B, respectively, which are attached to this resolution and incorporated herein by reference, and that funds are hereby appropriated as per the said exhibit.

BE IT FURTHER RESOLVED, That the County Mayor and the Director of Administration and Finance are authorized to issue their warrant or warrants in the amount not to exceed \$3,900,000.00 for the purposes contained in this resolution and to take proper credit in their accounting therefore.

A C Wharton Jr., County Mayor

Date: _____

Attest: _____

Clerk of County Commission

ADOPTED _____

Shelby County Division of Corrections
Budget Amendment FY09

Exhibit A
Corrections Fund

Account No.	Description	Current Budget	Changes	Revised Budget
Fund 956 - Org # 350110 Food Services				
5102	Salaries	1,257,978.00	(933,856.00)	324,122.00
5190	Expense Allowance	0.00	16,950.00	16,950.00
5251	Overtime/Holiday Pay	24,000.00	(19,400.00)	4,600.00
5254	Overtime	87,450.00	(67,450.00)	20,000.00
5266	Longevity	1,650.00	(1,650.00)	-
5269	Shift Differential	5,075.00	(4,305.00)	770.00
5510	County Retirement	88,529.00	(65,370.00)	23,159.00
5511	OPEB Retiree Insurance	85,367.00	(63,035.00)	22,332.00
5516	MQFE	19,954.00	(13,541.00)	6,413.00
5520	Group Life	8,554.00	(6,350.00)	2,204.00
5540	Group Health	4,538.00	(4,538.00)	-
5543	CIGNA Insurance	211,898.00	(177,220.00)	34,678.00
5560	Long-Term Disability	20,128.00	(14,942.00)	5,186.00
5591	OJI	19,499.00	(14,475.00)	5,024.00
5592	Unemployment	4,139.00	(3,072.00)	1,067.00
5635	Lapse Time Restriction	-105,771.00	105,771.00	-
6006	Apparel - Employees	12,000.00	(12,000.00)	-
6014	Custodial Supplies	30,000.00	(25,000.00)	5,000.00
6780	Maint Equipment	50,000.00	(43,813.00)	6,187.00
7004	Production Equipment	13,000.00	-	13,000.00
	Total Expenditures	1,837,988	(1,347,296.00)	490,692.00

Fund 956 - Org # 350105 General Services - Selected Accounts

5102	Salaries	429,391.00	(45,831.00)	383,560.00
5510	County Retirement	30,057.00	(3,208.00)	26,849.00
5511	OPEB Retiree Insurance	28,984.00	(3,094.00)	25,890.00
5516	MQFE	6,602.00	(665.00)	5,937.00
5520	Group Life	2,920.00	(312.00)	2,608.00
5560	Long-Term Disability	6,870.00	(733.00)	6,137.00
5591	OJI	6,656.00	(710.00)	5,946.00
5592	Unemployment	1,413.00	(151.00)	1,262.00
6028	Food Purchases	2,900,000.00	(2,336,000.00)	564,000.00
6038	Kitchen & Dining Supplies	200,000.00	(162,000.00)	38,000.00
6635	Contracted Food Services	0.00	3,900,000.00	3,900,000.00
			1,347,296.00	

Combined Budget

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Shelby County Division of Corrections
Position Control Budget Amendment FY09

Exhibit B
Corrections Fund
Fund 956

Position No.	Position Description	Cost Center	Current Budget	Changes	Revised Budget
910180	MANAGER A	C0110	66,000.00	(66,000)	-
910182	SUPERVISOR A	C0110	49,446.00	(33,167)	16,279
960050	BUTCHER	C0110	40,515.00	(40,515)	-
880157	FOREMAN A	C0110	38,854.00	(25,644)	13,210
900131	SUPERVISOR C	C0110	37,951.00	(26,943)	11,008
910183	SUPERVISOR C	C0110	37,951.00	(25,162)	12,789
910184	SUPERVISOR C	C0110	37,951.00	(25,012)	12,939
862086	FOREMAN B	C0110	35,404.00	(24,819)	10,585
900132	FOREMAN B	C0110	35,404.00	(22,117)	13,287
910187	FOREMAN B	C0110	35,404.00	(23,696)	11,708
910189	FOREMAN B	C0110	35,404.00	(21,415)	13,989
860111	COOK	C0110	32,570.00	(23,477)	9,093
860596	COOK	C0110	32,562.00	(24,903)	7,659
860812	COOK	C0110	32,570.00	(23,393)	9,177
863096	COOK	C0110	32,570.00	(24,182)	8,388
880160	COOK	C0110	32,570.00	(21,564)	11,006
880161	COOK	C0110	32,570.00	(21,128)	11,442
890007	COOK	C0110	32,570.00	(25,750)	6,820
890008	COOK	C0110	32,570.00	(22,796)	9,774
891421	COOK	C0110	32,570.00	(25,055)	7,515
891422	COOK	C0110	32,570.00	(23,377)	9,193
891423	COOK	C0110	32,570.00	(21,858)	10,712
900137	COOK	C0110	32,570.00	(22,631)	9,939
900139	COOK	C0110	32,570.00	(25,186)	7,384
900140	COOK	C0110	32,570.00	(24,841)	7,729
900142	COOK	C0110	32,570.00	(24,282)	8,288
910194	COOK	C0110	32,570.00	(25,882)	6,688
910195	COOK	C0110	32,570.00	(21,900)	10,670
910196	COOK	C0110	32,570.00	(32,570)	-
910197	COOK	C0110	32,570.00	(21,723)	10,847
910198	COOK	C0110	32,570.00	(23,074)	9,496
910199	COOK	C0110	32,570.00	(25,976)	6,594
910200	COOK	C0110	32,570.00	(24,892)	7,678
960051	COOK	C0110	32,562.00	(24,934)	7,628
960052	COOK	C0110	32,570.00	(21,289)	11,281
920208	STOCKROOM WORKER	C0110	26,030.00	(22,703)	3,327
Total for Cost Center		C0110	1,257,978	(933,856)	324,122
960048	Purchasing Specialist	C0105	45,831.00	(45,831.00)	-
Total Selected Salaries			1,303,809.00	(979,687.00)	324,122.00